Investment Advisory Board Presentation

Supplemental Retirement Plan

As of 6/30/26

Benefit Financial Services Group

Supplemental Retirement Plan Overview

- Provides a supplemental benefit equal to the difference between an unmodified CALPERS pension and the reduced rate for naming a beneficiary, for employees of certain bargaining groups hired prior to 1998.

- Overseen by a Retirement Board consisting of:
  - City Treasurer
  - City Manager
  - Chief Financial Officer

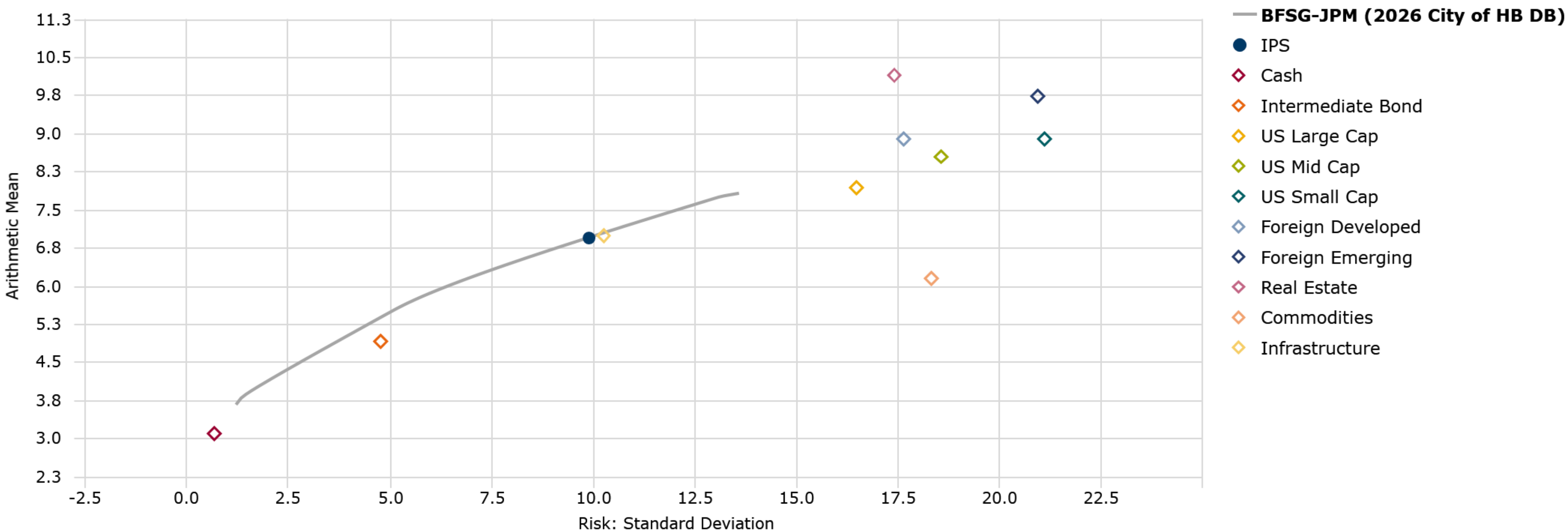
- Assets held in trust at U.S. Bancorp to offset liabilities. Investments are managed by U.S. Bancorp Asset Management in accordance with an Investment Policy Statement and Target Asset Allocation adopted by the Board.

- City contributions as well as outperformance relative to the expected rate of return have closed the gap between assets and liabilities over time.

- Board will soon consider portfolio derisking or risk transfer.

Asset Allocation Analysis

Efficient Frontier: Arithmetic Mean vs. Standard Deviation



Portfolio Statistics

Time Period: 6/30/2021 to 6/30/2026

	IPS
Arithmetic Mean	6.95
Geometric Mean (Simulated)	6.44
Standard Deviation	9.89
Sharpe Ratio	0.70

	IPS
Cash	0.00
Intermediate Bond	42.00
US Large Cap	19.00
US Mid Cap	6.00
US Small Cap	3.00
Foreign Developed	18.00
Foreign Emerging	4.00
Real Estate	2.00
Commodities	2.00
Infrastructure	4.00

Source: Morningstar Direct

Capital Market Assumptions

Time Period: 6/30/2016 to 6/30/2026

	Arithmetic Mean (Historical)	Arithmetic Mean	Standard Deviation
Cash	2.25	3.10	0.67
Intermediate Bond	2.20	4.91	4.76
US Large Cap	15.71	7.94	16.47
US Mid Cap	11.93	8.55	18.56
US Small Cap	10.61	8.89	21.10
Foreign Developed	9.22	8.90	17.63
Foreign Emerging	9.89	9.74	20.93
Real Estate	7.17	10.15	17.40
Commodities	6.32	6.15	18.32
Infrastructure	7.63	6.99	10.25

Current Asset Allocation vs. IPS (6/30/26)

Asset Class	Current Allocation	IPS Allocation	Minimum	Maximum
Cash & Equivalents	**0.3%**	**0.0%**	**0.0%**	**10.0%**
Money Market & Cash Equivalents	0.3%	0.0%	0.0%	10.0%
Fixed Income	**38.3%**	**42.0%**	**32.0%**	**52.0%**
Short-Term Bond	0.0%	0.0%	0.0%	10.0%
Intermediate-Term Bond	35.9%	42.0%	32.0%	52.0%
Long-Term Bond	0.0%	0.0%	0.0%	10.0%
High Yield Bond	2.4%	0.0%	0.0%	10.0%
Inflation-Protected Bond	0.0%	0.0%	0.0%	10.0%
World Bond	0.0%	0.0%	0.0%	10.0%
Domestic Equity	**29.3%**	**28.0%**	**18.0%**	**38.0%**
Large Cap Domestic	20.3%	19.0%	9.0%	29.0%
Mid Cap Domestic	5.5%	6.0%	0.0%	16.0%
Small Cap Domestic	3.5%	3.0%	0.0%	13.0%
Foreign Equity	**24.9%**	**22.0%**	**12.0%**	**32.0%**
Foreign Large Equity	20.0%	18.0%	8.0%	28.0%
Foreign Small/Mid Equity	0.0%	0.0%	0.0%	10.0%
Emerging Markets Equity	4.9%	4.0%	0.0%	14.0%
Real Estate	**3.1%**	**2.0%**	**0.0%**	**12.0%**
Domestic Commercial	3.1%	2.0%	2.0%	12.0%
Commodities	**0.0%**	**2.0%**	**0.0%**	**12.0%**
Commodities	0.0%	2.0%	0.0%	12.0%
Infrastucture	**4.0%**	**4.0%**	**0.0%**	**14.0%**
Infrastucture	4.0%	4.0%	0.0%	14.0%
Total	**100.0%**	**100.0%**		

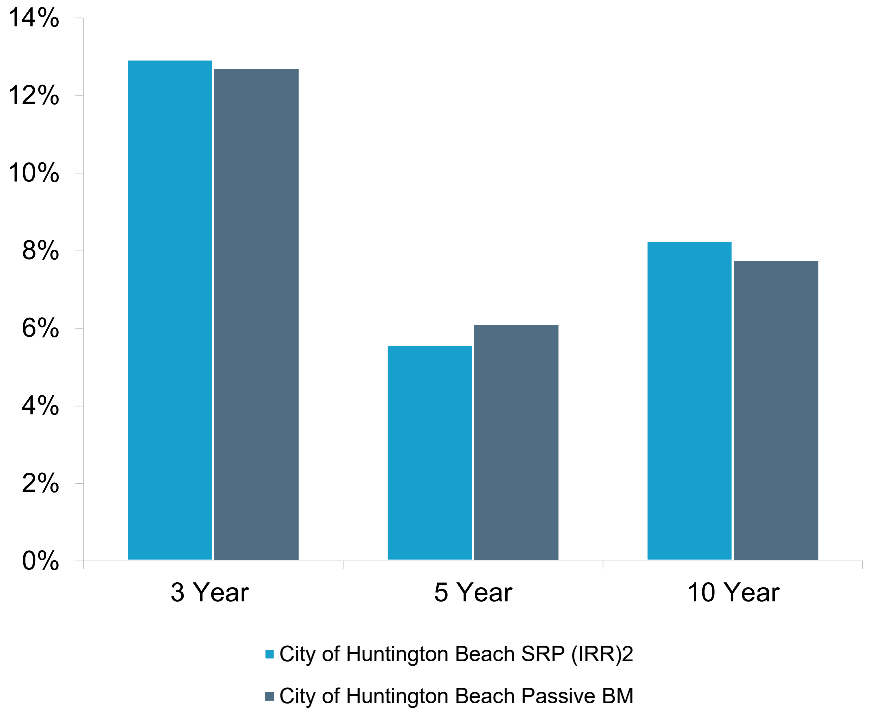
Portfolio Return vs. Custom Benchmark

Performance as of June 30, 2026	3 Month	YTD	1 Year	Annualized Returns 3 Year	5 Year	10 Year	Expense Ratio[1]
City of Huntington Beach SRP (IRR)[2]	**8.68%**	**8.75%**	**16.62%**	**12.94%**	**5.58%**	**8.26%**	**0.16**
City of Huntington Beach Passive BM	7.57%	7.33%	15.32%	12.71%	6.12%	7.76%	N/A

[1] *Custom expense ratio represents the weighted expense*

[2] *IRR Portfolio is presented Gross of US Bank Investment Management Fees*

Annualized Returns



Current IPS Benchmark Weights

Passive Benchmark	Weight
Cash & Equivalents	0.00%
Bloomberg US Agg Bond TR USD Index	42.00%
Wilshire 5000 Total Mkt TR USD	28.00%
MSCI ACWI ex USA NR USD	22.00%
DJ Wilshire REIT	2.00%
Bloomberg Commodity TR USD	2.00%
MSCI World Infrastructure NR USD	4.00%

IPS Allocation Changes Effective
June 1, 2025
July 1,2023
July 1,2020
April 1, 2019
January 1, 2018
October 29, 2013

BFSG Evaluation Methodology – Sample Fund

Weight	Criteria	Scoring Methodology	3 Year Ranking	5 Year Ranking	10 Year Ranking	Total Ranking
Return 40%	Trailing Returns	Average Ranking of 3, 5, and 10-year returns	56%	22%	8%	**29**
	Rolling Returns	Average Ranking of 1 year rolling returns is re-ranked against the custom peer group	Average of 37 calculations = 30%			**4**
Risk 30%	Sharpe Ratio	Average Ranking of 3, 5, and 10-year Sharpe Ratio	61%	23%	7%	**30**
	Up Capture Ratio	Average Ranking of 3, 5, and 10-year Up-Capture Ratio	77%	68%	32%	**59**
	Down Capture Ratio	Average Ranking of 3, 5, and 10-year Down-Capture Ratio	31%	14%	21%	**22**
Style 15%	R-Squared	Average Ranking of 3, 5, and 10-year R-Squared to benchmark	12%	32%	34%	**26**
	Equity Consistency	Lower standard deviation receives a better score	3-year standard deviation of holdings centroid which is determined using underlying holdings			**6**
	Equity Dispersion	Less scatter receives a better score	Measures degree of scatter among current holdings			**68**
Expense 15%	Expense	Lower expense receives a better score	Prospectus Net Expense Ratio			**8**
Total Fund Score		Weighted criteria ranking				**24**
Fund Ranking		Ranking within custom peer group				**2**

**In order to focus exclusively on investment performance, the lowest expense share class of each fund was used for evaluation.*

Evaluation Methodology Summary

Investment Name	Quarterly Ranking 2Q26	1Q26	4Q25	3Q25
Intermediate Core Bond				
Baird Aggregate Bond Fund	9	11	9	3
Intermediate Core-Plus Bond				
Dodge & Cox Income Fund	0	0	0	0
High Yield Bond				
Artisan High Income Fund	22	22	15	16
Small Value				
PIMCO RAE US Small Fund	3	3	2	0
Small Growth				
Columbia Small Cap Growth Fund	3	4	3	4
Infrastructure				
Lazard Global Listed Infrastructure Port	17	20	16	20
NYLI CBRE Global Infrastructure Fund	61	48	24	16
Average Rank	17	15	17	16
Plan Weighted Rank (Reweighted)	12	11	12	11

0%	25%	50%	75%	100%
Outperform	Perform	Underperform		

Note: Average and Plan-Weighted Average rankings shown above reflect the actual funds offered in the Plan (and their respective weightings) during the applicable quarter.

Assets vs Liabilities